



1997 ASSEMBLY BILL 10

January 21, 1997 - Introduced by Representatives SCHNEIDER and KLUSMAN, cosponsored by Senator SHIBILSKI. Referred to Joint survey committee on Retirement Systems.

- 1 **AN ACT relating to:** eligibility for a social security integrated annuity under the
2 Wisconsin retirement system.

Analysis by the Legislative Reference Bureau

Under current law, beginning on April 23, 1994, for participants in the Wisconsin retirement system (WRS) who have been employed in a position covered under the WRS after March 9, 1984, the retirement annuity in the normal form is a straight life annuity payable in monthly instalments for the life of the annuitant. But if a participant's retirement annuity in the normal form would be less than or equal to \$100 monthly, the participant must receive the present value of the annuity in a single lump sum instead of as an annuity. Current law also provides that a participant in the WRS who retires and elects to receive a WRS annuity before the age of 62 may receive a social security integrated annuity. A social security integrated annuity allows a participant to receive an accelerated WRS annuity in the form of a higher annuity before the age of 62 than he or she would ordinarily receive. But when the participant begins to receive social security payments at the age of 62, the WRS annuity is reduced to an amount less than he or she would ordinarily receive. The amount of the accelerated WRS monthly annuity before the participant attains the age of 62 should be the same as the sum of the WRS monthly annuity and the social security monthly annuity received by the participant after he or she attains the age of 62. A participant is eligible for the social security integrated annuity, according to department of employe trust fund rules, only if the amount of the reduced WRS annuity that he or she receives after attaining the age of 62 is greater than \$100 monthly. Prior to April 23, 1994, the \$100 monthly threshold for a lump sum payment and eligibility for a social security integrated annuity was \$41.

